



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

April 12, 2015

JONATHAN LINES, TREASURER
ARIZONA REPUBLICAN PARTY
3501 NORTH 24TH STREET
PHOENIX, AZ 85016

Response Due Date
05/18/2015

IDENTIFICATION NUMBER: C00008227

REFERENCE: AMENDED MARCH MONTHLY REPORT (02/01/2014 - 02/28/2014),
RECEIVED 06/19/2014

Dear Treasurer:

This letter is prompted by the Commission's preliminary review of the report referenced above. This notice requests information essential to full public disclosure of your federal election campaign finances. **Failure to adequately respond by the response date noted above could result in an audit or enforcement action.** Additional information is needed for the following 2 item(s):

1. On Schedule H4 supporting Line 21(a) of the Detailed Summary Page, you have not included the full mailing address for the payments made to "Barb's Bakery," "Facebook.com," "Us Airways," "Vistaprint, Inc.," "Godaddy.com," "Domain Hosting Services," "Envato," "Delta Airlines," "Domino's," and "gogoair.com". Please amend your report accordingly. (11 CFR §§104.10(b)(4) and 104.17(b)(3))

2. Schedule H4 supporting Line 21(a) of your report discloses a payment(s) for "Advertising," "Printing & design," and "Web & social media advertising." Please be advised that pursuant to 11 CFR §300.33(c)(1), expenditures for public communications (as defined by 11 CFR §100.26) that refer to a clearly identified candidate for Federal office and that promote, support, attack or oppose any such candidate for Federal office must not be allocated between or among federal and non-federal accounts. Only federal funds may be used.

Further, expenditures and disbursements for public communications that refer to a clearly identified candidate for Federal office and that promote, support, attack or oppose any candidate for Federal office, meet the definition of Federal Election Activity under 11 CFR §100.24 and should be disclosed on Schedule B for Line 30(b) along with the identity of the candidate(s). However, public communications that meet the definition of Federal Election

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Activity and that also contain express advocacy as defined under 11 CFR §100.22, but do not meet the conditions of exempt activity, would constitute an in-kind contribution, an independent expenditure or a coordinated party expenditure and should be properly disclosed on a Schedule B, E or F supporting Lines 23, 24 or 25, as appropriate, rather than on Schedule B for Line 30(b). Please amend your report to properly disclose this activity or provide clarifying information.

If this activity was categorized incorrectly, the Commission recommends that you immediately transfer the funds received by your federal account for this activity back to the non-federal account. Although the Commission may take further legal action concerning this prohibited activity, your prompt action will be taken into consideration.

3. Please clarify all expenditures made for "Fundraising retainer fee" and "Online fundraising fees" on Schedule H4. If a portion or all of these expenditures were made on behalf of specifically identified federal candidates, this amount should be disclosed on Schedules B, E, or F supporting Lines 23, 24, or 25 and include the amount, name, address and office sought by each candidate. (11 CFR §§104.3(b) and 106.1)

Alternatively, if the payment(s) on Schedule H4 is associated with fundraising activity conducted for your committee's federal and non-federal accounts, it must be allocated according to the funds received method and the ratio reflected on Schedule H2. Further, it must be categorized as a fundraising activity on Schedule H4. Please provide clarifying information regarding the nature of this transaction(s) and amend your report(s) as appropriate.

4. Itemized disbursements must include a brief statement or description of why the disbursements were made. Please amend Schedule H4 to clarify the following descriptions: "Contract labor" and "Political events." (11 CFR § §104.3(b)(3) and 104.10(a)(4))

Additional clarification regarding inadequate purposes of disbursement published in the Federal Register can be found at: http://www.fec.gov/law/policy/purposeofdisbursement/inadequate_purpose_list_3507.pdf

5. Schedule H4 of your report discloses a payment to "Scottsdale Plaza Resort," which is categorized as an Administrative expense; however, the purpose of disbursement disclosed is "Party event venue." Please be advised that payments

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made for your committee's fundraising activities must be allocated according to the funds received method and the ratio reflected on Schedule H2. Please amend your report to clarify the appropriate category for this activity or provide clarifying information regarding this apparent discrepancy. (11 CFR §106.7(d)(4))

6. Schedule H5 discloses a \$30,000 transfer-in for Generic Campaign activity from what appears to be your federal account. However, Schedule L-B supporting Line 4(d) of the Schedule L Aggregation Page discloses a \$30,000 transfer-out to what appears to be your Levin account.

Schedule H5 should disclose Transfers of Levin Funds Received For Allocated Federal Election Activity and Schedule L-B should disclose Itemized Disbursements of Levin Funds. Please amend your report to clarify this apparent discrepancy. (11 CFR §300.36)

7. The Schedule L Aggregation Page of your report discloses a negative ending cash balance of \$21,233.95 for the "AZ FEDERAL" account. This suggests that you have overdrawn your account, made a mathematical error, or incurred a debt. Please amend your report to provide clarifying information regarding this apparent discrepancy.

8. Schedule L discloses "AZ Federal" as the name of account. Please note that 11 CFR §300.33(d) permits a committee to pay the entire amount of an allocable expense from its federal account and transfer from its non-federal or Levin account to its federal account solely to cover the Levin share of that allocable expense. As the "AZ Federal" account is not a non-federal or Levin account of your committee, such a transfer(s) is prohibited.

If the transfer(s) in question was incompletely or incorrectly disclosed, you should amend your original report with clarifying information. If you have received a prohibited transfer(s), you must transfer-out the impermissible funds to an account not used to influence federal elections or refund the full amount to the donor.

Please inform the Commission of your corrective action immediately in writing and provide a photocopy of your check for the transfer-out or refund. In addition, any transfers-out or refunds should be disclosed on Schedule B supporting Line 22 or 28 of the report covering the period during which the transaction was made.

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Although the Commission may take further legal action concerning the acceptance of prohibited transfers, prompt action by your committee to transfer-out or refund the amount will be taken into consideration.

9. Schedules H5 and L-B of your report discloses a transfer-in of \$30,000 from your Levin account for Generic Campaign activity; however, a Schedule H6 has not been filed to disclose any payments for allocable Federal Election Activity, which is necessary to support such a transfer-in.

Please be advised that transfers for allocated Federal Election Activity must not exceed the Levin share of the allocated disbursements and that these transfers must be made within a 70-day time period: no more than 10 days before and no more than 60 days after payment to the vendor. 11 CFR §300.33(d)(2) In addition, unless your Levin account is reimbursing your federal account for allocable Federal Election Activity, the transfer-in of funds from a Levin account is prohibited by 11 CFR §102.5(a)(1)(i) and §300.30(b)(3). Please clarify the nature of this transfer-in from the Levin account.

The Commission recommends that you immediately transfer the impermissible funds received by your federal account, back to your Levin account. Although the Commission may take further legal action concerning this prohibited activity, your prompt action will be taken into consideration.

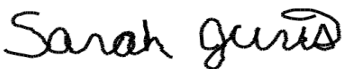
Please note, you will not receive an additional notice from the Commission on this matter. Adequate responses must be received by the Commission on or before the due date noted above to be taken into consideration in determining whether audit action will be initiated. Failure to comply with the provisions of the Act may also result in an enforcement action against the committee. Any response submitted by your committee will be placed on the public record and will be considered by the Commission prior to taking enforcement action. **Requests for extensions of time in which to respond will not be considered.**

Electronic filers must file amendments (to include statements, designations and reports) in an electronic format and must submit an amended report in its entirety, rather than just those portions of the report that are being amended. If you should have any questions regarding this matter or wish to verify the adequacy of your response, please contact me on our toll-free number (800) 424-9530 (at the prompt press 5 to reach the Reports Analysis Division) or my local number (202) 694-1175.

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Sincerely,

A handwritten signature in black ink that reads "Sarah Juris". The script is cursive and fluid, with the first name "Sarah" and last name "Juris" clearly distinguishable.

Sarah Juris
Senior Campaign Finance Analyst
Reports Analysis Division